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RURAL SMALLHOLDINGS
IN THE WAIRARAPA:
DESIRABILITY AND LAND USE ISSUES

by

A.D. Meister and G.D. Knighton

DISCUSSION PAPER IN NATURAL RESOURCE ECONOMICS NO. 9

Department of Agricultural Economics and Farm Management,
Massey University, Palmerston North, New Zealand

September 1984

Errata

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Foreward

The topic of land use planning has featured on a number of occasions in this series of Natural Resource Economics Discussion Papers. Within the wider topic of land use planning, the issue of rural smallholdings has received attention in Discussion Papers Nos. 3, 5 and 8. This ninth Discussion Paper again deals with issues relating to rural smallholdings.

The reason for continued emphasis on this topic is that the rural smallholdings 'conflict' is a dynamic land use issue. As the tastes, desires and objectives of society change over time, so does the demand for, and our attitudes to, rural smallholdings. Land use policies therefore should continually adjust to these changing circumstances.

Land use policies with regard to what is, or is not, allowed in rural areas, are primarily decided at the county or district level. Different counties face different situations, demands and constraints and hence different land use policies are needed. However, it is also desirable that within broader regions the policies of counties are to some extent consistent.

In this discussion paper, the authors specifically look at the desirability of rural smallholdings in the Wairarapa.

This Discussion Paper is based on research undertaken by Mr G.D. Knighton as part of his postgraduate Diploma in Agricultural Economics. The research was supervised by Dr Anton Meister, Reader in Natural Resource and Environmental Economics.

On behalf of the authors, I would like to acknowledge financial support for the project from the Wairarapa United Council, and to thank the following for their assistance:

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Members of the Department of Agricultural Economics and Farm Management, and Market Research Centre for assistance with survey design and data analysis.

The many smallholders and county officials who participated in the survey and the personal interviews.

Without the help and cooperation of these people this research would not have been possible.

R.J. Townsley
Head, Department of Agricultural Economics and Farm Management

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Chapter One

INTRODUCTION

The debate over smallholdings and rural subdivision has continued now for well over a decade. In that time much research has been carried out in an attempt to discover how serious the conflicts are.

The Wairarapa region has been no exception to this controversy and in particular it has been a contentious issue in both the Masterton and Wairarapa South counties for some time. District planning schemes have tended to reflect the arguments against smallholdings such as a loss of productive land to uneconomic units, conflicts with existing farming systems and pressure on Rural Services.

Most of these contentions have been shown not to be true (Meister, 1984). Instead it has been found that smallholders generally make a positive contribution to the rural scene, maintaining or increasing productivity and innovation, and adding to the viability of rural services.

This study has had two objectives:

1. To assess the contribution smallholdings are making to the economic and social environment of the Wairarapa region.
2. To assess the current district scheme ordinances with regard to subdivisions for smallholdings and the impact that these controls have.

The study area chosen consists of three counties: Masterton, Wairarapa South and Featherston. In each of these counties smallholdings have sprung up over the last fifteen years. All three

counties have dealt with the development differently and opinions amongst Councils vary about the desirability of rural smallholdings.

To get information about the role of rural smallholdings, a mail survey was conducted late 1983. This survey was followed up by personal interviews with some smallholders and with other people concerned with smallholdings. The survey and its results are presented in the first five chapters of this discussion paper.

In the second part of this study, the district schemes of the three counties chosen are discussed and emphasis is placed on the provisions and ordinances relating to rural smallholdings, rural subdivision and other matters relating to the rural area.

Finally, in Chapter Seven the two sets of results are brought together to draw conclusions and make recommendations in line with the stated desire of the Wairarapa United Council that:

"... in district planning, the zoning of land and subdivisional standards have the flexibility to cope with and provide encouragement for new crops and forms of farming and their ancillary industries"

(Regional Planning Scheme 37(5))

so that district planning can contribute to achieve the Council's overall objective which

"... aims to provide for the co-ordinated development of the region's resources to ensure that the region can continue to play its existing role as a rural producer. In addition, there is a need to help stimulate sufficient employment opportunities in the region to maintain the viability of social services in rural communities.

(Regional Planning Scheme, p. 1)

Chapter Two

METHODOLOGY

2.1 The Survey

Data for the study was collected by means of a mail survey. Primarily this was done because of the constraints placed upon the study by time, finance and the widespread distribution of the population.

2.2 The Sample

In consultation with the Wairarapa United Council Technical Advisory Committee it was decided to restrict the population to holdings between 2 and 20 hectares in the Masterton, Wairarapa South and Featherston Counties.

The population was identified from the Valuation Department roll files.

Where possible holdings which were identified as being run in conjunction with a larger property were excluded from the population.

From the total population of 407 holdings a random sample of 205 (50 per cent) was chosen on the advice of the Massey University Market Research Centre. It was decided that a 50 per cent sample would achieve adequate representation while still being economical.

The sample was stratified for holding size across four size categories, 2-5 hectares, 6-10 hectares, 11-15 hectares and 16-20 hectares according to the proportions of the original population.

The sample population according to county and size category is shown in Table 2.1 and the survey area is shown in Figure 2.1.

The questionnaire was first posted in the second week of October 1983. It was accompanied by a letter (contained in the appendix) informing respondents of the aims of the survey and assuring them of the confidentiality of their information. In an effort to stress the importance of responding, the support of the United Council was mentioned. The letter was counter-signed by Dr A.D. Meister.

Approximately two-thirds of the usable returns were derived from the first posting.

The second posting was dispatched three weeks after the first, containing a reminder letter and a second questionnaire.

Questionnaires from the first posting which were either "returned to sender" or did not belong to the population were reallocated to replacement smallholders, carefully selected to ensure that the county and size stratifications were maintained. A total of 18 questionnaires were redirected in this way.

Articles were published in a local newspaper and also in "The Small Farmer" journal in an effort to increase smallholder interest and response to the survey.

2.3 Response Rate

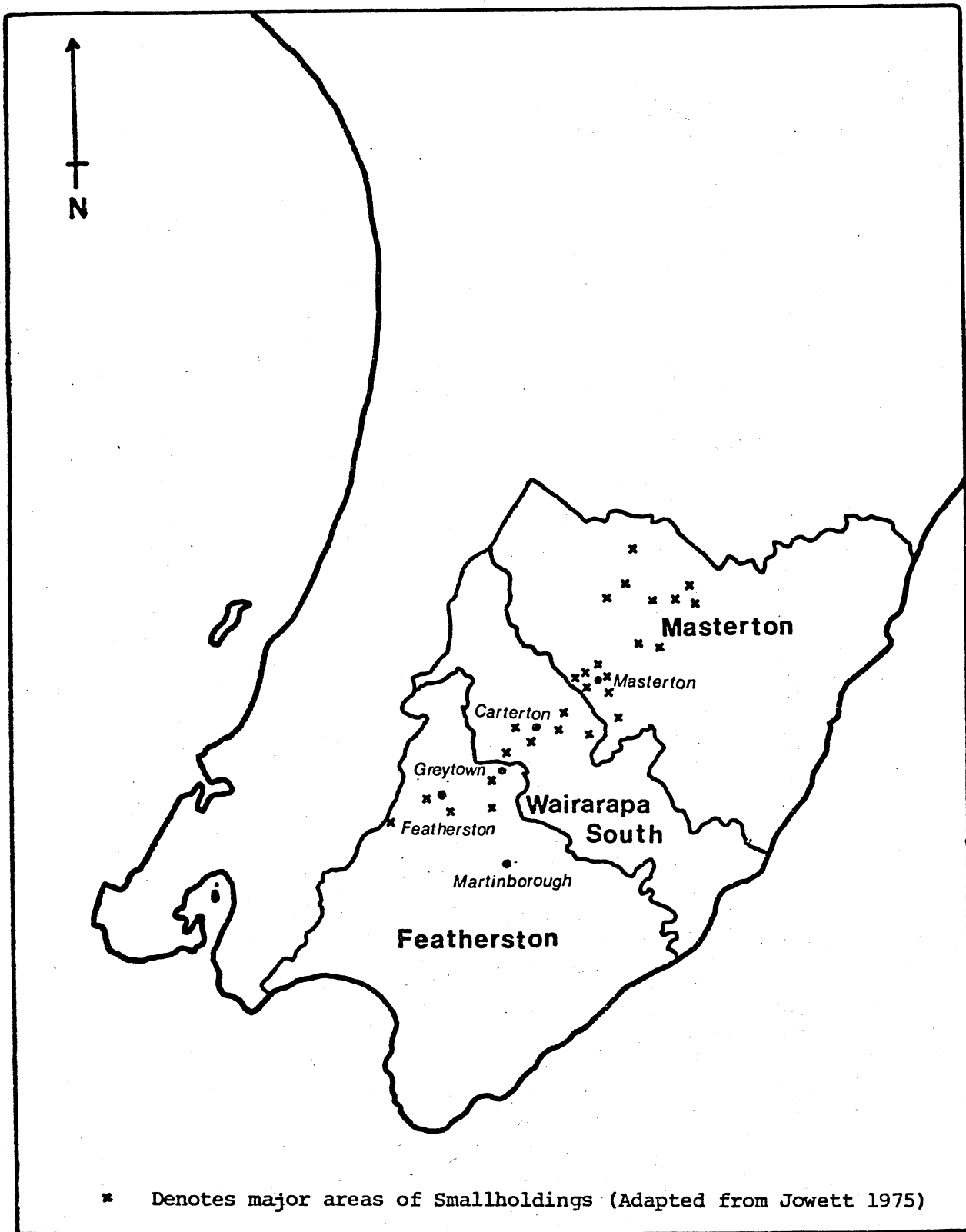
An overall response rate of 59.3 per cent usable returns was obtained. While not as great as hoped for, it is felt that the response rate is still adequate enough to ensure fair representation.

Response bias was not evident between counties though some bias was evident across the size categories. It should be emphasised

Table 2.1: Sample Population - County by Size Class

County	Population /sample	Size class (hectares)				Total	
		2-5.4	5.5-10.4	10.5-15.4	15.5-20	Sample	Population
Masterton	Population	147	66	21	13	125	247
	Sample	74	33	11	7		
Wairarapa South	Population	44	14	6	2	33	66
	Sample	22	7	3	1		
Featherston	Population	54	24	10	6	47	94
	Sample	27	12	5	3		
						205	407

Figure 2.1: Map of Study Area



however, that because relatively small samples were drawn for the 10.5-15.4 hectare and 15.5-20 hectare categories their percentage response can be greatly affected by just a few non-responses.

The response rate for both county and size classes is shown in Table 2.2.

2.4 The Questionnaire

The survey questionnaire (a copy of which is contained in the appendix) was constructed with a number of objectives and constraints in mind such as the amount of information usable, the number of topics to be questioned and the amount of time available to process the information. The objectives are discussed below. The scope of the inquiry was defined by these constraints and objectives.

A meeting was held with the Technical Advisory Committee of the Wairarapa United Council to discuss an earlier draft of the questionnaire. Their criticisms and local knowledge proved valuable in constructing the final questionnaire.

Several questions used in the questionnaire had been adapted from earlier smallholding surveys, notably Moral et al. (1980), Meister and Stewart (1980) and Chui (1973).

The information to be obtained and question objectives are summarised as follows:

Question (1) To ensure that the respondent belongs to the sample population.

Questions (2-5) To obtain information on productive and non-productive land use and characteristics of smallholding tenure.

Questions (6-8) To discover the intensity and diversity of production on smallholdings.

Table 2.2: Response Rate - Size Class by County

County		Size class (hectares)				County total	% response for County
		2-5.4	5.5-10.4	10.5-15.4	15.5-20		
Masterton	Usable returns	48	20	2	2	72	57.6
Wairarapa South	Usable returns	11	7	2	0	20	60.6
Featherston	Usable returns	12	12	2	3	29	61.7
	Size class total	71	41	6	5	121	
	% response for size class	58	75	31.5	45		

Questions (9-10) General information relating to length of ownership and income dependence.

Questions (11-12) To obtain information on factors that contribute to the purchase of a smallholding.

Question (13) To discover sources of finance for smallholders and the problems they face in obtaining finance.

Question (14) To investigate whether the district schemes have had a significant effect on the size of holdings.

Questions (15-16) To examine perceived and actual obstacles to development, development intentions and the use made of development resources.

Questions (17-18) To assess the use made of local labour and capital.

Questions (19-22) To obtain general information of a socio-economic nature.

Questions (23-28) To examine the use of services and general residential characteristics.

Questions (29-30) To identify characteristics of smallholders' involvement in the local community and problems encountered on the holdings.